

EXHIBIT 10



TO: Board of Trustees or Board of Directors (as the case may be) (collectively, the “Board”) of Highland Funds I, Highland Funds II, Highland Income Fund, Highland Global Allocation Fund, NexPoint Strategic Opportunities Fund, NexPoint Real Estate Strategies Fund and NexPoint Capital, Inc.

FROM: Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P. and NexPoint Securities, Inc.

RE: Supplemental 15(c) Information Request

DATE: October 23, 2020

Pursuant to your supplemental request dated October 2, 2020, Highland Capital Management Fund Advisors, L.P. (“HCMFA”), NexPoint Advisors, L.P. (“NexPoint”, and with HCMFA, each, an “Adviser”, and together, the “Advisers”) and NexPoint Securities, Inc. (“NSI” the “Distributor”) submit the following supplemental information to the Board in order to assist the Board in fulfilling its obligations under Section 15(c) of the Investment Company Act of 1940, as amended (the “1940 Act”), and to assist in the Board’s consideration of the investment advisory, and other contractual arrangements, for the funds listed on Appendix A (each, a “Fund” and, collectively, the “Funds”). References to the 2020 15(c) Response dated August 13, 2020 and the supplemental response dated September 17-18, 2020 are referred to as the “2020 15(c) Response” and “2020 Supplemental 15(c) Response”, respectively.

Your requests have been noted below, each of which is followed by our response. Unless otherwise specified, reference documents are located on Director’s Desk at the following location: Home > Documents > Corporate Documents > 15c Reference Documents.

A. Nature, Extent and Quality of Services

1. Please provide, to the extent practicable, the contingency plans with respect to the services provided under the Shared Services Agreements in the event that the outcome of the HCMLP bankruptcy proceedings were to impact the current servicing structure. For example, has the Advisers considered any outside service providers if necessary?

Response: As a result of the Highland Capital Management, L.P. (“HCMLP”) bankruptcy, NexPoint’s senior management’s plan as a backup/contingency plan is to extend employment offers to the vast majority of HCMLP’s employees by December 31, 2020. This will help ensure that there is no disruption in services to the Funds. Once we have further details of this we will advise. In the interim, the plan is to continue with existing shared services.

Representatives of HCMLP and NexPoint will be available to discuss the structure of these contingency plans, relevant employees, and communications

to current employees regarding these matters. Representatives of HCMLP and NexPoint are working to facilitate the shared use of and/or transfer of services such as the intranet, shared computer drives, and third-party contracts.

2. Are there any material outstanding amounts currently payable or due in the future (e.g., notes) to HLCMLP by HCMFA or NexPoint Advisors or any other affiliate that provide services to the Funds?

Response: As of June 30, 2020, \$23,683,000 remains outstanding to HCMLP and its affiliates from NexPoint and \$12,286,000 remains outstanding to HCMLP from HCMFA. The Note between HCMLP and NexPoint comes due on December 31, 2047. The earliest the Note between HCMLP and HCMFA could come due is in May 2021. All amounts owed by each of NexPoint and HCMFA pursuant to the shared services arrangement with HCMLP have been paid as of the date of this letter. The Adviser notes that both entities have the full faith and support of James Dondero.

3. The Board notes the provision of the updated list of current co-investments provided by HCMFA/NexPoint Advisors and the Advisers' discussion, including the senior-level team in place, to address any potential conflicts of interest matters. With respect to the compliance function, please confirm that the Funds' Chief Compliance Officer overall will continue in his usual role with respect to the Funds. Are there any other potential conflicts outside of the specific co-investment matters identified?

Response: The Advisers confirm that the Funds' Chief Compliance Officer overall will continue in his usual role with respect to the Funds. As of October 14, 2020, the Funds' Chief Compliance Officer is an employee of NexPoint. Please see Exhibit A for a list of current co-investments and cross-held positions where a future conflict may arise together with Exhibit B for the list of non-HCMLP employees available to assist the Board in any future conflicts.

Exhibit A

Co-Investment Analysis

Highland Capital Management, LP ("HCMLP")
Condensed Co-Investment Analysis
As of 9/30/20

Condensed Co-Investments¹

	Investment	HCMLP MV	Funds Managed by HCMLP MV	Retail Funds	Non-HCMLP Investment Coverage
1	Metro-Goldwyn-Mayer Inc. Class A Common Stock	\$13,085,369	\$418,019,027	\$61,820,908	Dondero
2	CCS Medical, Inc. (Chronic Care) Loan 1st Lien @ PRIME 7% 7/31/2021	-	121,166,994	47,510,599	Dondero
3	TerreStar Corporation Term Loan A @ LIBOR 11% 2/28/2022	-	49,742,043	40,159,485	Dondero
4	VST US Equity	-	41,904,280	24,381,982	Sowin
5	NXRT	10,799,003	2,228,410	21,256,955	McGraner
6	Grayson CLO, Ltd. Class II Preference Shares	-	2,201,500	18,861,500	Sowin
7	NHT/U CN	2,028,793	-	18,524,594	McGraner
8	NHF	2,208,872	2,954,619	15,808,648	Dondero
9	Advantage Sales & Marketing Inc. Term Loan (Second Lien) @ LIBOR 6.5% 7/25/2022	-	1,940,140	13,784,695	Sowin
10	Procera Networks, Inc. (aka Sandvine Corp) Initial Term Loan (First Lien) @ LIBOR 4.5% 10/3	-	1,367,373	13,681,487	Sowin
11	Gruden Acquisition, Inc. (aka Quality Distribution) ITL (First Lien) @ LIBOR 5.5% 8/18/2022	-	2,568,463	11,124,738	Sowin
12	Westchester CLO, Ltd Class I Preference Shares 144A	-	3,373,333	10,888,813	Sowin
13	HRTX	-	81,510	10,686,168	Dondero
14	Vistra Energy Corp. (fka TCEH Corp.) TXU TRA rights	-	3,494,825	10,476,054	Sowin
15	American Banknote Common	693,467	-	1,843,371	Dondero
16	American Airlines Escrow	154,650	630,365	1,444,839	Dondero
17	Ginn LA Conduit Lender, Inc. 1st Lien A CL Deposit @ PRIME 4.5% 6/8/2011	68,860	812,716	846,955	Sowin
18	TerreStar Corporation TLC @ LIBOR 11% 2/28/2022	-	25,418	553,282	Dondero
19	CCS Medical, Inc. (Chronic Care) Common	-	6,008	5,797	Dondero
Sub-Total		\$29,039,013	\$652,517,024	\$323,660,869	

Additional HCMLP Ownership of Retail Funds (non-co-investments)²

Investment	HCMLP MV	Retail Fund MV	Funds Managed by HCMLP MV
Highland Opportunistic Credit Fund (HNRZ)	\$2,911,923	-	-
NexPoint Real Estate Strategies Fund (NRSZX)	663,982	-	-
Sub-Total	\$3,575,905	\$0	\$0

Footnote:

1 - Listing includes the following: 1) all investments held by both HCMLP and retail funds, regardless of materiality 2) investments for which retail funds hold \$10 million or greater in the aggregate and are also held by funds advised by HCMLP 3) investments for which retail funds hold ownership less than \$10 million in the aggregate, the position is private and fair valued, and are also held by funds advised by HCMLP.

2 - 'Additional HCMLP Ownership of Retail Funds' does not reflect other immaterial holdings of investments below \$5,000.

Co-investments, excluding holdings with zero market value

	Investment	HCMLP MV	Funds Managed by HCMLP	Retail Funds
1	Metro-Goldwyn-Mayer Inc. Class A Common Stock	\$13,085,369	\$418,019,027	\$61,820,908
2	CCS Medical, Inc. (Chronic Care) Loan 1st Lien @ PRIME 7% 7/31/2021	-	121,166,994	47,510,599
3	TerreStar Corporation Term Loan A @ LIBOR 11% 2/28/2022	-	49,742,043	40,159,485
4	VST US Equity	-	41,904,280	24,381,982
5	NXRT	10,799,003	2,228,410	21,256,955
6	Grayson CLO, Ltd. Class II Preference Shares	-	2,201,500	18,861,500
7	NHT/U CN	2,028,793	-	18,524,594
8	NHF	2,208,872	2,954,619	15,808,648
9	Advantage Sales & Marketing Inc. Term Loan (Second Lien) @ LIBOR 6.5% 7/25/2022	-	1,940,140	13,784,695
10	Procura Networks, Inc. (aka Sandvine Corp) Initial Term Loan (First Lien) @ LIBOR 4.5% 10/31/2025	-	1,367,373	13,681,487
11	Gruden Acquisition, Inc. (aka Quality Distribution) ITL (First Lien) @ LIBOR 5.5% 8/18/2022	-	2,568,463	11,124,738
12	Westchester CLO, Ltd Class I Preference Shares 144A	-	3,373,333	10,888,813
13	HTRX	-	81,510	10,686,168
14	Vistra Energy Corp. (fka TCEH Corp.) TXU TRA rights	-	3,494,825	10,476,054
15	Traverse Midstream Partners LLC Advance @ LIBOR 5.5% 9/27/2024	-	25,916,705	9,945,051
16	VM Consolidated, Inc. (aka American Traffic Solutions) B-1st Lien Non-ext @ LIBOR 3.25% 2/28/2025	-	2,719,702	9,594,505
17	Edelman Financial Center, LLC, The (fka Flight Debt Merger Sub Inc.) Initial Term Loan (Second Lien) @ LIBOR 6.75% 7/20/2026	-	125,340	9,078,334
18	Forest City Enterprises, L.P. Replacement TL @ LIBOR 3.5% 12/8/2025	-	2,222,324	8,889,297
19	Avaya Inc. B TL @ LIBOR 4.25% 12/15/2024	-	1,357,685	8,802,760
20	MPMK Appraisal Rights Claims	-	527,460	8,224,455
21	USS Ultimate Holdings, Inc. (aka United Site Services, Inc.) Initial Term Loan (First Lien) @ LIBOR 3.75% 8/25/2024	-	2,877,263	6,691,414
22	PSI Industrial Holdings Corp. Term Loan (First Lien) @ LIBOR 3.75% 10/11/2024	-	3,685,775	6,511,970
23	EnergySolutions, LLC (aka Envirocare of Utah, LLC) Initial Term Loan @ LIBOR 3.75% 5/9/2025	-	7,194,271	5,678,112
24	Truck Hero, Inc. Initial TL 2nd Lien @ LIBOR 8.25% 4/21/2025	-	645,557	5,561,471
25	Envision Healthcare Corporation Initial Term Loan @ LIBOR 3.75% 10/10/2025	-	2,854,870	5,502,657
26	AERI	-	35,310	5,211,756
27	MDPK 2014-15A Float - 01/2024 - DR - 55818WAG0 @ LIBOR 5.4400 1/27/2026	-	1,249,500	4,774,875
28	Brentwood CLO Ltd Class II Preference Shares	-	7,424,000	4,416,000
29	Jo-Ann Stores, LLC Initial Loan @ LIBOR 5% 10/20/2023	-	2,354,854	4,384,100
30	Advantage Sales & Marketing Inc. Initial Term Loan (First Lien) @ LIBOR 3.25% 7/23/2021	-	1,896,829	3,571,805
31	Radnet Management, Inc. T-B-1 L @ LIBOR 3.75% 6/30/2023	-	1,601,339	3,479,728
32	Fort Dearborn Holding Company, Inc. Initial Term Loan (First Lien) @ LIBOR 4% 10/19/2023	-	1,394,305	3,406,180
33	Sound Inpatient Physicians, Inc. Initial Term Loan (Second Lien) @ LIBOR 6.75% 6/26/2026	-	326,460	3,264,600
34	Liberty CLO, Ltd. Preferred	-	8,339,310	2,989,000
35	UDFI	-	1,291,306	2,801,645
36	Auris Luxembourg III S.a.r.l. Facility B2 @ LIBOR 3.75% 2/27/2026	-	1,891,886	2,364,858
37	BIO	-	171,133	2,319,570
38	Dayco Products LLC - (Mark IV Industries, Inc.) Term Loan @ LIBOR 4.25% 5/19/2023	-	1,587,518	2,121,554
39	Rockwall CDO, Ltd. Preferred Shares	-	5,211,000	2,026,500
40	AVYA	-	30,877,250	1,911,598
41	RWIC NOT LISTED	-	579,000	1,852,800
42	American Banknote Common	693,467	-	1,843,371
43	TCW 2019-2A D2A Float - 10/02032 - 87242BAS9 @ 4.89 10/20/2023	-	1,250,000	1,750,000
44	Red River CLO, Ltd. Red River CLO	-	3,979,722	1,744,900
45	American Airlines Escrow	154,650	630,365	1,444,839
46	Refinitiv US Holdings Inc. (fka Financial & Risk US Holdings, Inc.) Initial Dollar Term Loan @ LIBOR 3.25% 10/1/2025	-	1,950,070	1,231,425
47	Scientific Games International, Inc. Initial Term B-5 Loan @ LIBOR 2.75% 8/14/2024	-	3,715,025	1,213,050
48	ACIS 2015-6A Zero Coupon - 05/2027 - SUB - 00452AAB6 @ Zero Coupon 0.0000 5/1/2027	-	8,296,000	1,200,000
49	CIFC 2015-5A DR Float - 10/02027 - 12550NA17 @ 5.5% 10/25/2027	-	1,109,375	1,198,125
50	General Nutrition Centers, Inc. FILO Term Loan @ PRIME 8% 12/31/2022	-	487,190	1,148,178
51	Change Healthcare Holdings, LLC closing date TL @ LIBOR 2.5% 3/1/2024	-	2,709,671	991,845
52	CIFC 2016-1A D2R Float - 10/02031 - 17180TAW2 @ 4.43 10/21/2021	-	980,000	980,000
53	TMO	-	201,775	927,192
54	ACIS 2015-6A Float - 05/2027 - D - 00452PAR8 @ LIBOR 3.7000 5/1/2027	-	1,810,000	905,000
55	Edelman Financial Center, LLC, The (fka Flight Debt Merger Sub Inc.) Initial Term Loan (First Lien) @ LIBOR 3% 7/21/2025	-	3,329,415	903,218
56	AHTI 2018-KEYS F Float - 05/2023 - 04410CAN9 @ 4.15 05/15/2023	-	695,663	850,255
57	ABERD	-	905,975	847,525
58	Ginn LA Condulet Lender, Inc. 1st Lien A CL Deposit @ PRIME 4.5% 6/8/2011	68,860	812,716	846,955
59	Bausch Health Companies Inc. (fka Valeant Pharmaceuticals International, Inc.) Initial Term Loan @ LIBOR 3% 6/2/2025	-	3,010,042	825,922
60	CSC Holdings, LLC (fka CSC Holdings Inc. (Cablevision)) March 2017 Refinancing Term Loan @ LIBOR 2.25% 7/17/2025	-	1,142,030	824,572
61	Hub International Limited Initial Term Loan @ LIBOR 3% 4/25/2025	-	1,270,064	819,121
62	Nielsen Finance LLC (VNU, Inc.) Class B-4 Term Loan @ LIBOR 2% 10/4/2023	-	480,085	813,503
63	PTRK	-	100,626	757,508
64	MPHI Acquisition Holdings LLC Initial Term Loan @ LIBOR 2.75% 6/7/2023	-	3,767,027	739,421
65	VICI Properties LLC Term B Loan @ LIBOR 1.75% 12/20/2024	-	969,035	726,776
66	McAfee, LLC Term B USD Loan @ LIBOR 3.75% 9/30/2024	-	1,469,387	722,848
67	IRB Holding Corp. (aka Arby's / Buffalo Wild Wings) 2020 Replacement Term B Loan @ Libor 2.75% 2/5/2025	-	531,087	716,184
68	Global Medical Response, Inc. (aka Air Medical) 2018 Term Loan @ LIBOR 3.25% 4/28/2022	-	969,179	699,346
69	CityCenter Holdings, LLC Term B Loan @ LIBOR 2.25% 4/18/2024	-	344,250	694,346
70	Misys Worldwide (aka Almonde/Tahoe, Finstru USA) Dollar Term Loan (First Lien) @ LIBOR 3.5% 6/13/2024	-	920,265	693,200
71	Golden Nugget, Inc. (aka Landry's Inc.) TL @ LIBOR 2.5% 10/4/2023	-	383,374	671,846
72	H.B. Fuller Company Commitment @ LIBOR 2% 10/20/2024	-	250,488	638,664
73	Lighthorne Holdco LLC Refinancing Term B Loan @ LIBOR 3.75% 1/30/2024	-	4,262,832	616,367
74	ACHC	-	73,700	589,600
75	Crown Finance US, Inc. (aka Cineworld Group plc) Initial Dollar Tranche Term Loan @ LIBOR 2.5% 2/28/2025	-	11,999,814	572,658
76	Calpine Corporation Term Loan (2015) @ LIBOR 2.25% 1/5/2024	-	375,085	567,158
77	TerreStar Corporation TLC C @ LIBOR 11% 2/28/2022	-	25,418	553,282
78	TransDigm Inc. Tranche E Refinancing Term Loan @ LIBOR 2.25% 5/30/2025	-	6,149,465	542,437
79	Tronox Finance LLC Initial Dollar Term Loan (First Lien) @ LIBOR 3% 9/23/2024	-	3,327,701	493,305
80	Solera, LLC (Solera Finance, Inc.) Dollar TL @ LIBOR 2.75% 3/3/2023	-	446,555	490,314
81	AlixPartners, LLP 2017 Refinancing Term Loan @ LIBOR 2.5% 4/4/2024	-	3,254,084	483,887
82	iHeartCommunications, Inc. (fka Clear Channel Communications, Inc.) 6.375% - 05/2026 - 45174HBCO FIX 6.375% 5/1/2026	-	1,446	482,002
83	Fieldwood Energy LLC Closing Date Loan (First Lien) @ LIBOR 5.25% 4/11/2022	-	10,941,771	479,396
84	HLF 1X Floating - 08/2014 - C1 - 43037QA9 @ LIBOR 0.0000 8/2/2018	-	318,583	477,874
85	Ineos US Finance LLC New 2024 Dollar Term Loan @ LIBOR 2% 4/1/2024	-	2,131,748	474,805
86	CGMS 2019-4A D Float - 01/02033 - 4317WA6 @ 7.65 01/15/2033	-	930,500	465,250
87	BJ's Wholesale Club, Inc. Tranche B Term Loan (First Lien) @ LIBOR 2% 2/3/2024	-	515,535	460,180
88	Titan Acquisition Limited (aka Husky International Ltd.) Initial Term Loan @ LIBOR 3% 3/28/2025	-	923,108	459,071
89	Plantronics, Inc. Initial Term B Loan @ LIBOR 2.5% 7/2/2025	-	12,145,824	376,874
90	SS&C Technologies Holdings, Inc. Term B-5 Loan @ LIBOR 2.25% 4/16/2025	-	952,120	264,538
91	Berry Global, Inc. (aka Berry Plastics Corporation) Term W Loan @ LIBOR 2% 10/1/2022	-	339,055	248,184
92	Applied Systems, Inc. Close Date Term Loan (First Lien) @ LIBOR 3.25% 9/19/2024	-	1,693,433	245,795
93	SolarWinds Holdings, Inc. 2018 Refinancing Term Loan (First Lien) @ LIBOR 2.75% 2/5/2024	-	956,532	243,383
94	VAHA 2024-1A Variable - 08/2024 - 91914QAA4 @ Variable 0.0000 8/1/2012	-	375,000	225,000
95	SRC	-	1,212	220,219
96	COLL	-	62,398	166,456
97	Texas Competitive Electric Holdings Company LLC (TXU) Escrow Loan Extended @ LIBOR 0%	-	2,079	151,087
98	AAMRQ Escrow Common Stock	-	57,400	123,000
99	Tecton 9 PERP	-	467,201	114,573
100	ACRG/AI CN	-	41,887	111,422
101	NRG	-	26,498	83,767
102	FGI Operating Company, LLC Common	-	51,252	68,922
103	Fieldwood Energy LLC Common1	-	15,420	56,288
104	ACRG/B/1 CN	-	15,022	39,960
105	Lightstone Holdco LLC Refinancing Term C Loan @ LIBOR 3.75% 1/30/2024	-	240,430	34,764
106	SMTA (Delisted 01/02/2020)	-	93,852	7,880
107	CCS Medical, Inc. (Chronic Care) Common	-	6,008	5,797
	Total	\$29,039,013	\$878,908,335	\$495,707,848

Additional HCMLP Ownership of Retail Funds (non-co-investments)¹

	Investment	HCMLP MV	Retail Fund MV	Funds Managed by HCMLP MV
Highland Opportunistic Credit Fund (HNRZX)		\$2,911,923	-	-
NexPoint Real Estate Strategies Fund (NRSZX)		663,982	-	-
Total		\$3,575,905	0.00	\$0

Footnote:

1 - Additional HCMLP Ownership of Retail Funds' does not reflect other immaterial holdings of investments below \$5,000.

Exhibit B**Non-HCMLP Employees**

Name	Role	Current Title	Employed By
Jim Dondero	Senior Investment Team Member	Partner	NPA
Jason Post	Chief Compliance Officer	Chief Compliance Officer	NPA
Joe Sowin	Senior Investment Team Member	Co-CIO and Head of Global Equity Trading	HCMFA
Brad Heiss	Senior Investment Team Member	Managing Director	HCMFA
Matt McGraner	Senior Investment Team Member	Managing Director	NPA
Dustin Norris	Fund Officer/Liaison	Head of Distribution and Chief Product Strategist	NPA
DC Sauter	Legal	General Counsel	NPA
Eric Holt	Compliance	Chief Compliance Officer, Affiliated Broker Dealers	NSI
David Willmore	Accounting/Operations	Senior Manager, Real Estate Accounting	NXRT
Paul Richards	Valuation	Director, Real Estate	NPA
Jackie Graham	PR/Marketing	Investor Relations Manager	NPA

HCMFA Highland Capital Management Fund Advisors, L.P.

NPA NexPoint Advisors, L.P.

NSI NexPoint Securities, Inc.

NXRT NexPoint Residential Trust, Inc.

Appendix A

Open-End Funds

Highland Funds I:

1. Highland Healthcare Opportunities Fund
2. Highland/iBoxx Senior Loan ETF
3. Highland Opportunistic Credit Fund (*in liquidation*)
4. Highland Merger Arbitrage Fund

Highland Funds II:

5. Highland Small-Cap Equity Fund
6. Highland Socially Responsible Equity Fund
7. Highland Fixed Income Fund (*sub-advised*)
8. Highland Total Return Fund (*sub-advised*)

Closed-End Funds

- | | |
|--|---------------------|
| 9. NexPoint Capital, Inc. | |
| a. BDC REIT Sub, LLC | (REIT Subsidiary) |
| 10. NexPoint Strategic Opportunities Fund | |
| a. NexPoint Real Estate Opportunities, LLC | (REIT Subsidiary) |
| b. NexPoint Real Estate Capital, LLC | (REIT Subsidiary) |
| 11. Highland Income Fund | |
| a. HFRO Sub, LLC | (Credit Subsidiary) |
| b. NFRO REIT Sub, LLC | (REIT Subsidiary) |
| 12. Highland Global Allocation Fund | |
| a. GAF REIT, LLC | (REIT Subsidiary) |

Interval Funds:

- | | |
|--|-------------------|
| 13. NexPoint Real Estate Strategies Fund | |
| a. NRESF REIT Sub, LLC | (REIT Subsidiary) |